

C.8

MEMO TO: City Council

FROM: Rosemarie Ives, Mayor

DATE: February 1, 2005

SUBJECT: **INTERTIE AGREEMENT WITH SAMMAMISH PLATEAU WATER AND SEWER DISTRICT**
RESOLUTION: ESTABLISH RATES AND CHARGES FOR WATER TO BE WHEELED TO SAMMAMISH PLATEAU WATER AND SEWER DISTRICT

I. **RECOMMENDED ACTION**

Move to approve and:

- a. Authorize the Mayor to execute an intertie agreement for wheeling water from Cascade Water Alliance to Sammamish Plateau Water and Sewer District substantially in the form as attached, and
- b. adopt the attached resolution establishing rates and charges for water to be wheeled to Sammamish Plateau Water and Sewer District.

II. **DEPARTMENT CONTACT PERSONS**

David Rhodes, Director of Public Works	556-2705
Bill Campbell, City Engineer/Assistant Director of Public Works	556-2733
Scott Thomasson, Utility Engineering Manager	556-2829

III. **DESCRIPTION**

Sammamish Plateau Water and Sewer District and the City of Redmond are both members of Cascade Water Alliance. Sammamish Plateau has requested that Redmond “wheel” water through our Novelty Hill Water Service area into the Cascade View service area of the District. This proposed intertie is included in Redmond’s Water System Plan and the District is amending their plan to include the intertie. The approval of this intertie agreement will allow the District to connect to our system and make the intertie. Cascade Water Alliance has been requested to approve the wheeling arrangement and they should take action at their Board Meeting on January 26, 2005.

The District has taken a substantial risk and has already undertaken the construction of the half mile long pipe that would connect to Redmond's system.

IV. IMPACT

A. Service/Delivery:

The proposed intertie should not impact the level of service that the City of Redmond is providing to the Novelty Hill Service Area. Water will move through our Novelty Hill System at a relatively constant rate and therefore wheeling would not significantly affect our storage and pumping system. Flow to the District is less than 10% of expected flows to Redmond and is well within the capabilities of our facilities.

B. Fiscal:

Financial Consulting Solutions Group (FCSG) has prepared an analysis to determine the appropriate charges to the District. This study is attached for your review. The study does allocate costs for operation, maintenance and system depreciation. The proposed rates are in the attached resolution. Rates for wheeling will be updated every two years in conjunction with our normal budgeting and rate setting procedures.

V. ALTERNATIVES

Membership with Cascade and assisting other Cascade members to have access to the Regional Supply System shows the City of Redmond's support for regional participation. Should the City of Redmond not approve the wheeling agreement the District will have difficulty serving their customers due to the reduction of the groundwater supply that has occurred within this portion of its service area.

VI. TIME CONSTRAINTS

The District has concerns about the reliability of its well supply in this service area and is eagerly waiting for the City of Redmond's approval. The connection will be completed within the week following the City of Redmond's approval.

VII. LIST OF ATTACHMENTS

- A. Vicinity Map
- B. Proposed Intertie Agreement with Sammamish Plateau Water and Sewer District
- C. District Letter
- D. Financial Consulting Solutions Group (FCSG) Rate Analysis
- E. Resolution

s/s
David Rhodes, Director of Public Works

1/21/05
Date

Approved for Council Agenda **s/s**
Rosemarie Ives, Mayor

1/25/05
Date

**AGREEMENT FOR WATER SYSTEM INTERTIE
BETWEEN THE
CITY OF REDMOND AND THE
SAMMAMISH PLATEAU WATER AND SEWER DISTRICT
(CASCADE VIEW/NOVELTY HILL – NE 80th STREET INTERTIE)**

This Agreement (“Agreement”) is made and entered into this _____ day of _____, 20____ between the Sammamish Plateau Water & Sewer District (“District”), a Washington municipal corporation, and the City of Redmond (“City”), a Washington municipal corporation, (individually a “Party” and collectively the “Parties”) for the purposes set forth herein.

WITNESSETH:

WHEREAS, the City is a non-charter, optional municipal code city organized and operating pursuant to Chapter 35A RCW; and

WHEREAS, the District is organized and operating pursuant to Title 57 RCW and is authorized to operate a water system within and without its boundaries; and

WHEREAS, the District has a need for additional water supply to a portion of its service area called the Cascade View Zone, as depicted on Exhibit A, which shall include if annexed to the District in the future, the Dawn Breaker Water Association and the rural portion of the Redmond Ridge East Pan Handle, in addition to all other expansions to this Zone as defined in future District Comprehensive Water Plans; and

WHEREAS, the District and the City are members of the Cascade Water Alliance (“CWA”) which provides water supply to its members through a regional water system; and

WHEREAS, the District’s Cascade View Zone is not connected to the District’s Plateau Zone that will be receiving water directly from CWA; however, the District’s water system in the Cascade View Zone may be connected through an intertie to the City’s water system, which receives water supply from CWA; and

WHEREAS, CWA is willing to supply water to the District’s Cascade View Zone by wheeling such water through an intertie with the City’s water system; and

WHEREAS, the District is willing to install an intertie and transmission main between the City's and the District's water distribution systems at the District's sole cost and pay the City a wheeling charge to wheel water from CWA to the District.

NOW, THEREFORE, in consideration of the following terms and conditions, the Parties agree as follows:

- 1.0 Purpose.** The purpose of this Agreement is to provide an intertie between the distribution systems of each party to allow the District with access to the CWA water supply.
- 2.0 Description of Intertie.** The Cascade View/Novelty Hill – NE 80th Street intertie (“Intertie”) shall be constructed by the District at its sole cost and operated by the Parties under the terms of this Agreement. The Intertie shall be as follows:
 - 2.1** The Intertie shall allow the District to obtain water, wheeled through the City's distribution system, from the regional system in accordance with the District's contract with CWA.
 - 2.2** The Intertie shall consist of a connection to the City's existing distribution system within Redmond Ridge Road near its intersection with NE 80th Street, and a Metering Vault to measure total flow and prevent the flow of water from the District's water system into the City's water system.
 - 2.3** The District shall install the Metering Vault within 200-feet of their connection to the City's system.
 - 2.4** The Intertie shall have a normal operating capacity of 200-gpm, for approximately 160 acre/feet per year of CWA water to supplement the District's ground water supplies and a short term maximum capacity of 400-gpm as needed when the District's two production wells are out of service.
 - 2.5** The District shall be responsible for increasing the water pressure of the water supplied by the City as necessary to the required operating pressures of the District's Cascade View Zone. The District's installation of a

booster station to provide the pressure increase shall be on the District's side of the Intertie.

3.0 Construction.

- 3.1 The District shall undertake the Intertie through a wet tap of the City's existing 12-inch water main north of the City's emergency intertie with the Union Hill Water Association's water system located at Redmond Ridge Drive and NE 80th Street as depicted on Exhibit A (the "Union Hill Intertie").
- 3.2 The Intertie shall only provide flow to the District and will not be designed or constructed to provide flow from the District to the City.
- 3.3 The District shall be responsible for the installation of a Metering Vault that will contain a 4-inch flow meter to measure the quantity of water provided to the District by the City and a check valve to prevent water flow from the District to the City.
- 3.4 The District shall install a control valve and any necessary booster pumps on the District's side of the Metering Vault to maintain a set rate of flow that is manually or remotely adjustable.
- 3.5 The District's responsibilities shall include, but not be limited to, design, preparation of permit applications, project administration, construction and construction inspection for the Intertie.
- 3.6 The City's responsibilities shall include review of the plans and specifications for the Intertie and review of applicable permit applications.
- 3.7 The plans and specifications for the Intertie construction shall meet or exceed the construction standards of the District, as the owner of such intertie and shall be subject to review and approval of the City. The City shall have the right to inspect all work on the Intertie at all reasonable times to assure conformance with approved plans and specifications.

5.0 Construction Schedule. The District shall complete the installation of the Intertie within sixty (60) days of the effective date of this Agreement.

6.0 Intertie Project Costs. The term “cost” as used in this section shall include, without limitation, all actual costs of labor, materials, permitting, equipment, engineering, inspection, right-of-way, legal costs, publication, SEPA compliance and any costs customarily incurred in such projects. The District shall pay and be solely responsible for all costs for the Intertie.

7.0 Ownership. The District shall own the Intertie.

8.0 Maintenance. The District shall maintain the Intertie in good working order in accordance with sound maintenance procedures, good engineering practices and applicable laws, rules and regulations. Maintenance shall include meter calibration, to be performed no less frequently than every 2 years from the date of installation of the meter.

9.0 Destruction and Replacement. District shall be responsible to repair and replace all or any part of the Intertie in the event of its partial or total damage, loss or destruction at District’s sole cost and expense.

10.0 Notification, Use, and Payment.

10.1 Notification.

10.1.1 The District shall provide the City with notification by CWA stating that water is available for the District’s use at Cascade’s meter that serves Redmond’s Novelty Hill Service Area.

10.1.2 The District shall provide the City with at least 48-hours notice prior to the start of any use of the Intertie to deliver water from the City to the District. The District shall notify the City of the anticipated rate of flow that is to be received and for what period of time the flow is to be maintained. The District shall give the City at least 24-hours notice prior to changes in the District’s rate

of flow that will impact the rate of flow that the City takes from the Tolt Supply System.

- 10.1.3** The District shall give the City at least 48-hours notice prior to discontinuing the use of the intertie.
- 10.1.4** The District shall maintain continuous reading of the rate of flow and weekly readings of the total quantity of water received from the City, and shall provide the City with copies of such reports.
- 10.1.5** The District shall provide the City and CWA with monthly reports showing the usage for each calendar month plus an unaccounted water loss factor of 2% of the monthly use.
- 10.1.6** The City shall give the District at least 48-hours notice prior to any operations that may impact the District's use of the Intertie, including but not limited to watermain shutdowns that reduce or eliminate the supply to the Intertie, changes in operating pressure by more than 20 pounds per square inch, introduction of chemicals other than chlorine and fluoride and construction activities in the immediate vicinity of the Intertie.
- 10.1.7** In the case of an emergency, where unforeseen circumstances of a short duration result from a failure of the District's water system equipment or piping that necessitates transfer of water to meet life safety demands and satisfy minimum levels of service for customers, the District shall be allowed immediate use of the Intertie as long as immediate notification is provided to the City stating the anticipated rate of flow that is to be received and for what period of time the flow is to be maintained.
- 10.1.8** In the case of an emergency, where unforeseen circumstances of a short duration result from a failure of the City's water system equipment or piping that impacts the ability of the City to provide the District with water, the City shall be allowed to shut down the Intertie as long as immediate notification is provided to the District stating the duration of the emergency and immediate notification is

provided to the District as soon as the City's water system operations are restored such that the Intertie is safe to operate.

10.2 Use.

10.2.1 The District shall be allowed use of the Intertie as needed in accordance with the terms of this agreement, at the District's sole discretion, to obtain water provided to the District under its contract with CWA. This use and discretion is limited and Redmond only agrees to wheel water to the District that is in excess of the City's demand if Seattle or CWA limits flow rates at the CWA meter serving Redmond's Novelty Hill service area.

10.2.2 A normal operating flow of 200-gpm shall be allowed to meet the District's Cascade View Zone's system demands for an estimated 160 acre/feet of water per year.

10.2.3 A maximum flow of 400-gpm shall be allowed for up to 8-weeks to support the Cascade View system demands when both wells have been taken out of service.

10.3 Payment for Water Delivered.

10.3.1 The District shall pay directly to CWA for water wheeled through the Intertie to the District at CWA rates in effect at the time of the sale and delivery of the water to the District.

10.3.2 The District shall pay directly to the City a Wheeling charge for the water delivered to the District through the Intertie at fixed and variable rates set through the City's rate setting processes and established by resolution of the City.

10.3.3 The City shall read the meter and invoice the District for the Wheeling charge associated with the water delivered to the District through the Intertie. The City shall own, install, operate and maintain any radio read system required for reading of the meter other than the District's Remote Read Head.

11.0 General.

- 11.1 Duration.** The parties acknowledge and agree: (1) that the use of the Intertie is essential to the operations of District in providing water service to its customers; and, (2) that District will rely upon the continued existence of the Intertie and rights of usage granted hereunder in its long range planning and issuing bonds, notes and other financing documents. Thus, each Party covenants and agrees with the other not to interfere with the other's rights granted hereunder; not to violate applicable laws, rules and regulations of agencies with regulatory jurisdiction over the parties; and not to take any action inconsistent with this Agreement.
- 11.2 Termination.** This Agreement may be terminated through 2-month written notice by the District, 2-years written notice by the City, or the termination of either party's membership in CWA.
- 11.3 Not a Partnership.** This Agreement shall not constitute or create a partnership or a joint venture.
- 11.4 Compliance with Laws and Regulations.** Each Party shall, with respect to its duties, responsibilities and operations hereunder, comply with all applicable laws, rules and regulations governing the same. The District shall submit construction drawings for the Intertie to the Washington State Department of Health for approval and shall be responsible to comply with the requirements of RCW 90.03.383.
- 11.5 Specific Performance.** In addition to all other remedies available to a party hereunder, whether in law or equity, each party to this Agreement shall have the right to seek and obtain specific performance of the terms hereof. The parties agree that damage occurring by reason of the breach

hereof is difficult, if not impossible, to ascertain and that remedies of law are inadequate.

- 11.6 Assignment.** Neither party shall have the right in whole or in part to assign this agreement or its rights and obligations hereunder or its interest in the Intertie without prior written consent of the other party, which shall not be unreasonably withheld, delayed, or conditioned.
- 11.7 Authority.** This Agreement is entered into by the parties hereto pursuant to the authority contained in RCW 35.67.300, RCW 39.34.080 and RCW 57.08.005.
- 11.8 Attorney's Fees.** If a suit or other action is instituted in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover all of its costs and expenses including such sum as the court may judge reasonable for attorneys' fees, including fees upon appeal of any judgment or ruling.
- 11.9 Non Waiver.** No waiver by either party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition or of any breach hereof, whether pertaining to the same or a different provision of this Agreement.
- 11.10 Severability.** If any section, subsection, sentence, clause, phrase, or other portion of this Agreement is, for any reason, declared invalid, in whole or in part of any court or agency of competent jurisdiction, said decision shall not affect the validity of the remaining portions hereof.
- 11.10 Indemnity.** Each Party agrees to indemnify, defend and hold harmless the other party, its officers, agents, and employees, from and against any and all claims, losses, or liability, for injuries, sickness or death of persons, or

damage to property, arising out of any willful misconduct or negligent act, error, or omission of the indemnifying party, its officers, agents, subcontractors or employees, in connection with actions taken pursuant to this Agreement. Provided, however, that the indemnifying party's obligations to indemnify, defend and hold harmless for injuries, sickness, death or damage caused by or resulting from the concurrent negligence or willful misconduct of the indemnitee and the indemnifying party, or of the indemnifying party and a third party other than an officer, agent, subcontractor or employee of the indemnifying party, shall apply only to the extent of the negligence or willful misconduct of the indemnifying party.

12.0 Execution of Documents. Each Party agrees to execute any and all documents and instruments necessary to give effect to and carry out the terms of this Agreement and to obtain the necessary approval of the same by government agencies as required by law.

13.0 Effective Date. This Agreement shall be effective upon the approval of the Agreement by the legislative bodies of both Parties and the execution of the Agreement by the Parties' authorized representatives.

**SAMMAMISH PLATEAU
WATER & SEWER DISTRICT**

CITY OF REDMOND

BY _____
Ronald E. Little, General Manager
Date _____

BY _____
Rosemarie Ives, Mayor
Date _____

ATTEST:

ATTEST:

BY _____
Susan A. Tucker, Notary Public
Date _____

BY _____
Bonnie Matson, City Clerk
Date _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

BY _____
John Milne, District's Attorney
Date _____

BY _____
Jim Haney, City Attorney
Date _____



SAMMAMISH P L A T E A U

WATER AND SEWER DISTRICT

January 14, 2005

The Honorable Rosemarie Ives
City of Redmond
15670 NE 85th Street
Redmond, WA 98073-9710

**RE: INTERTIE AGREEMENT BETWEEN THE SAMMAMISH PLATEAU WATER
AND SEWER DISTRICT AND THE CITY OF REDMOND
CASCADE VIEW / NOVELTY HILL - NE 80TH STREET INTERTIE**

Dear Mayor Ives:

The Sammamish Plateau Water and Sewer District is in need of an additional water supply to its Cascade View water zone, due to declining levels in our sole groundwater source. We would like to request that the City of Redmond approve the attached Intertie Agreement for the Cascade View / Novelty Hill – NE 80th Street Intertie. This Agreement would allow water that has been purchased by the District from the Regional System to be wheeled, or conveyed, through the City's distribution system and withdrawn at a new intertie near NE 80th Street.

Our Cascade View zone is located southeast of the City's Novelty Hill Service Area and the Redmond Ridge Subdivision. While the District has two main production wells that service this area, the aquifers are declining and we are currently experiencing a declining withdrawal rate from our wells. In conformance with our Comprehensive Water Plan, the District will obtain water from a Northern connection to the Regional Water System to supplement our groundwater supply.

As a member of the Cascade Water Alliance (CWA), the District is able to purchase Regional water from CWA to meet its system demands. Through an intertie with the City of Redmond, the District would have access to this water due to the City's membership in CWA and their existing intertie with the Regional System.

City of Redmond

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1/14/2005

Water purchased by the District would be withdrawn by the City at the City's intertie with the Regional system, conveyed through the Novelty Hill Water system and delivered to the District. The City of Redmond's latest approved Water System Plan includes an intertie with the District.

The District and City's staff have jointly prepared the attached Intertie Agreement and we request that the City Council review the document and approve the Agreement for execution.

To determine the costs for wheeling water through the City's system and at the request of the City's staff, the District hired FCSG, Inc. to prepare an analysis of charges for wheeling water through the City's water system. Attached for your review is a copy of FCSG's analysis, dated December 6, 2004, which has recommended Fixed Costs and Volume Charges.

We appreciate your assistance in approving the attached Intertie Agreement. If you have any further questions or comments please feel free to contact me at (425) 392-4931 ext. 221.

Sincerely,

A handwritten signature in black ink, appearing to read 'REL', with a stylized flourish at the end.

Ronald E. Little
General Manager

REL;jek

encl.

cc: Scott Thomasson, Utility Engineering Manager, City of Redmond

**PROJECT MEMORANDUM**

January 10, 2005

To: Ron Little, SPWSD

cc: Scott Thomasson, City of Redmond

From: Edward Cebon, Principal

Re: Summary of Draft Wheeling Charge Analysis

We have completed our draft analysis of charges for conveying water through the City of Redmond's Novelty Hill (UPD) service area to Sammamish Plateau Water & Sewer District's Cascade View service area. The analysis is structured consistently with the methods outlined during our review meeting. It is based on a common understanding of a firm commitment of capacity and service, with water being delivered by CWA to the City for transfer to SPWSD. It is understood that the District does not rely on the City for storage or fire flows, which are provided within the District's service area by its own facilities. The City's ability to deliver flows to the District is therefore contingent upon the corresponding availability and delivery of regional supply into the service area.

The following summary describes the methods, sources and findings of the analysis. The attached worksheets summarize the analysis.

I. Fixed Costs

- 1) Assets to be relied upon by the District were identified during our meeting. They consist of the supply pump station and a related transmission route to the southern boundary of the UPD service area. The assets were identified by the City, along with design capacities and planned utilization.
- 2) Costs for the specific assets were estimated and tabulated. For the pump station, actual fixed asset cost records were used. For the transmission route, a representative length and cost of pipe were provided by the City.
- 3) Shares of each asset, by capacity, were assigned to SPWSD. For the pipe route, 16.3% of the capacity is attributed to the District. For the pump station, 7.41% of capacity is determined. In aggregate, a weighted average of 8.54% results.
- 4) Depreciation costs were estimated for the assets to be used to convey water, and the District's share of those costs determined. This amount establishes anticipated fixed annual (or monthly) charges to the District regardless of amounts of water taken.

II. Volume Charges

- 1) The operating budget for the Novelty Hill service area was reviewed and summarized. Department administrative costs were expressed as a percentage of budget and treated as overhead to direct operating expenses. They represented about a 7% mark-up on the operating budget.
- 2) Certain non-applicable budget items were excluded, including water purchase, excise tax, and meter installation expenses. Similarly, engineering



PROJECT MEMORANDUM

administrative expenses were assumed to be offset by revenues, or non-allocable, and also excluded.

- 3) Pumping power costs (electrical) were divided by estimated retail volume to determine a cost of roughly \$0.127 per ccf. It is anticipated that power costs and volumes will go up in tandem.
- 4) Remaining operating budget items were further separated and reduced. Based upon findings of the cost of service analysis from the City's UPD rate study, costs attributable to customer service (billing, meter reading) and fire protection were excluded from the cost basis. These represented a total of 22.4% of operating costs according to the COS findings.
- 5) The remaining operating budget was divided by the anticipated total volume (retail plus wheeling) to determine a unit cost of roughly \$0.067 per ccf.

III. Summary of Findings

Based upon this analysis, we recommend the following wheeling charges:

Fixed Monthly Charge	\$1,088.22	per month
Volume Charge	\$0.194	per ccf

IV. Related Issues and Factors

Also related to the financial aspects of the wheeling agreement, we make the following additional recommendations:

- 1) The agreement should incorporate a provision to address water loss. Ideally, this would be done in the form of the volumes reported to CWA, so that the amount attributable to the District incorporates a share of losses between the CWA supply meter and the City/District wholesale meter. The same adjusted volume should be used for determining wheeling charges.
- 2) The costs in the UPD service area are still in transition, and unit costs may be changing either upward or downward with this transition. For this reason, it may be prudent to undertake an analytical update of the wheeling charge, perhaps as a part of the next UPD rate update. Subsequently, the volume charge could be indexed, say with CPI. The fixed monthly charge is based on the depreciation of existing fixed assets and would not change.



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Allocable Redmond Facilities

Pipelines	
Pipeline Length from Pump Station to Reservoir (feet)	8,400
Pipeline Diameter Size (inches)	24
Pipeline Length from Reservoir to Interties (feet)	900
Pipeline Diameter Size (inches)	16
Pipeline Length from Reservoir to Interties (feet)	7,900
Pipeline Diameter Size (inches)	12
Total Pipeline Length	17,200
Assumed Pipeline Diameter Size (inches)	12
Pipeline Depreciation Expense	
Pipeline Life in Years	100
Pipe Average Cost per Foot	\$ 45
Total Pipeline Value	\$ 774,000
Annual Depreciation Cost	\$ 7,740
Pipeline Capacity & Usage (gpm)	
North End Peak Hr Demand	1,600
North End Fire Flow Demand	3,500
South End Fire Flow Demand	1,500
Average Fire Flow	2,500
Total Peak Hour & Fire Flow Demand	4,100
Assumed Used Capacity by Redmond	2,050

Pump Stations	
Treatment Equipment Value	\$ 37,288
Treatment Equipment Life in Years	20
Treatment & Pumping Equipment Value	\$ 2,600,655
Treatment & Pumping Equipment Life in Years	25
Joint Pump Stations Value	\$ 2,667,050
Joint Pump Station Life in Years	50
Pump Station Depreciation Expense	
Total Pump Stations & Equipment Value	\$ 5,304,993
Annual Depreciation Cost	\$ 159,232
Pump Station Capacity & Usage (gpm)	
Peak Flow Capacity	7,500
Peaking Factor	1.5
Redmond's Planned Max Day Demand	5,000

SPWSD Share of Allocable Redmond Facilities

SPWSD Share of Pipeline Usage	
Assumed Used Capacity by Redmond	2,050
SPWSD Demand	400
Total Utilised Capacity (gpm)	2,450
SPWSD Share of Pipeline Usage	16.33%

SPWSD Share of Pump Station Usage	
Redmond's Planned Max Day Demand	5,000
SPWSD Demand	400
Total Utilised Capacity (gpm)	5,400
SPWSD Share of Pump Station Usage	7.41%

SPWSD Weighted Average Share of UPD Asset Allocation				
Total Pipeline Value	\$	774,000	SPWSD Share of Pipeline Usage	16.33%
Total Pump Stations & Equipment Value		5,304,993	SPWSD Share of Pump Station Usage	7.41%
Total Allocable UPD Asset Value	\$	6,078,993	SPWSD Weighted Average Asset Allocation	8.54%

Fixed Capacity Charge

SPWSD Share of Facility Costs	
SPWSD Share of Pipeline Annual Depreciation	\$ 1,264
SPWSD Share of Pump Station Annual Depreciation	11,795

Total Annual Fixed Charge \$13,059

Total Monthly Fixed Charge \$1,088.22



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Redmond O&M Expenses

Administration Expenses	Basis	2004
SAL/WGS-WATER ADMIN		\$0
BENEFITS-WATER ADMIN		\$0
PROF SVC-WATER ADMIN		\$23,726
LEGAL-WATER ADMIN		\$0
I/G SVC-WATER ADMIN		\$0
I/F SVC-WATER ADMIN		\$0
I/F TECH R&M-WATER ADMIN		\$0
I/F UPD EXP TRANSF TO 402		\$43,946
Total Administration Expenses:		\$67,672

Operations Expenses		
SAL/WGS-WATER OPER		\$51,878
SAL REIMB-WATER OPERATIONS		\$0
O/T-WATER OPER		\$1,000
SUPP EMP-WATER OPERATIONS		\$0
BENEFITS REIMB-WATER OPER		\$0
MEBT-WATER OPER		\$4,024
ST RET-WATER OPER		\$680
PERS3-WATER OPERATIONS		\$135
UNIF-WATER OPER		\$0
OTH INS-WATER OPER		\$140
FRINGE BENEFITS-WATER OPS		\$0
OFF SUPP-WATER OPER		\$250
FUEL CONSUMED-WATER OPER		\$0
SM TLS-WATER OPER		\$702
H'WARE-WATER OPER		\$0
OPR SUPP-WATER OPER		\$666
R&M SUPP-WATER OPER		\$2,500
PROF SVC-WATER OPER		\$5,500
LEGAL-WASTEWATER OPERATION		\$0
PHONES-WATER OPER		\$5,884
TRAVEL-WATER OPER		\$0
RENT-WATER OPER		\$1,000
WATER/SEWER-WATER OPER		\$1,108
ELECTRIC-WATER OPER		\$22,042
GAS-WATER OPER		\$0
GARBAGE-WATER OPERATIONS		\$500
OUT R&M-WATER OPER		\$16,271
TUITION-WATER OPER		\$0
I/G PROF SVCS-WATER OPER		\$337
MACH & EQ-WATER OPERATIONS		\$0
INFO TECH TRANSF-WATER OPS		\$0
I/F MEDICAL-WATER OPERATIO		\$8,569
I/F WORK COMP-WATER OPER		\$1,538
FLEET MNTNCE-WATER OPER		\$10,628
FLT MNTNCE INS-WATER OPER		\$794
I/F UPD EXP TRANSF FRM 401		\$18,335
IMPROVEM-WATER METERS	NA	\$139,180
EXT TAX-WATER OPER	NA	\$50,488
WATER PURCHASED/NOVELTY HL	NA	\$0
WATER PURCHASES-CWA	NA	\$623,614
REIMBURSED WATER PURCHASES	NA	\$0
Total Operations Expenses:		\$967,763

Admin Expenses Relative to Operations Expenses: 6.99%



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Allocable Redmond O&M Expenses

Electricity (Pumping) Expense	\$22,042	Allocated at 100%
Plus: Administration Expense Allocable to Pumping	\$1,541	Allocated as a share of electricity expense to total operations expenses
Total Pumping Expense:	\$23,583	
Other Operations Expenses	\$945,721	Total operations less electricity expense
Less: Non-Allocable Expenses NA	(\$813,282)	Includes meters, purchased water, excise tax expenses
Less: Costs Allocable to Customer and Fire Functions	(\$29,666)	Deduction for 22.4% allocable to fire and customer functions
Total Allocable Other Operations Expenses	\$102,773	
Plus: Administration Expense Allocable to Other Operations	\$7,187	Excludes admin expenses allocated to pumping, meters, purchased water
Total Other Operations Expense:	\$109,959	

Volume Charge

Volume Charge for Pumping

Total Pumping Expense	\$23,583
Total UPD Volume (ccf)	185,732
UPD Pumping Cost per ccf	\$0.127

Volume Charge for Other Operations

Total Other Operating Expense	\$109,959
SPWSD Weighted Average Asset Allocation	8.54%
O&M Expenses Allocated to SPWSD	\$9,394
SPWSD Off-Peak (6 Months) Volume (gpm)	400
SPWSD Annual Volume (ccf)	140,535
Other Operating Cost per ccf	\$0.067

Total Volume Charge per ccf	\$0.194
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RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON ESTABLISHING RATES AND CHARGES FOR WATER TO BE WHEELED TO SAMMAMISH PLATEAU WATER AND SEWER DISTRICT

Whereas the Sammamish Plateau Water and Sewer District and the City of Redmond have approved an agreement for Redmond to wheel water from the Cascade Water Alliance to the District, and

Whereas the agreement provides that the cost for wheeling water shall be established by resolution and that fixed and variable rates shall be set through the City's rate setting process, and

Whereas a separate rate study has been prepared for this initial term of service, NOW THEREFORE,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON
DO RESOLVE AS FOLLOWS:

The fixed monthly charge for wheeling water to the District shall be \$1100.00 per monthly billing cycle. This charge shall apply regardless of whether or not water is actually delivered to the District during the billing cycle.

The variable charge for wheeling water to the District shall be \$ 0.198 per hundred cubic feet of water delivered to the District. This rate includes an allowance for unaccounted water lost within Redmond's distribution system.

This resolution shall take effect and the charges set forth herein shall apply from and after the date the intertie constructed to supply the water is placed into service.

RESOLVED this 1st day of February 2005.

CITY OF REDMOND

MAYOR ROSEMARIE IVES

ATTEST/AUTHENTICATED

CITY CLERK BONNIE MATTSON

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
SIGNED BY THE MAYOR:
EFFECTIVE DATE:
RESOLUTION NO.